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Message Text

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64
ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 EUR-25 NEA-11 EA-11

SS-20 SPC-03 NSC-10 DRC-01 /132 W
---------- 005947
P 121850Z FEB 74
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 5334

C O N F I D E N T I A L BUENOS AIRES 1129

E.O. 11652: GDS
TAGS: ETRN, AR
SUBJECT: CIVIL AIR BILATERAL NEGOTIATIONS

1. SUMMARY. EMBASSY HAS SOME INDICATION GOA DELEGATION TO UPCOMING CIVAIR NEGOTIATIONS CARRY INSTRUCTIONS LESS RIGID THAN THOSE WHICH GOVERNED AT PREVIOUS MEETINGS. DELEGATION APPARENTLY INSTRUCTED AVOID CONFRONTATION WITH USG ON CIVAIR ISSUE IN INTEREST MAINTAINING NORMAL OVERALL BILATERAL RELATIONSHIP. GOA APPEARS TO SEEK AT LEAST INTERIM ARRANGEMENT INTENDED PLACATE USG AND US AIR CARRIERS ON ROUTES TO ARGENTINA. NO ACTION REQUIRED. END SUMMARY

2. A DECEMBER 1973 DRAFT OF PROPOSED INSTRUCTIONS TO ARGENTINE DELEGATION, RECENTLY MADE AVAILABLE TO EMBASSY, APPEARED TO CALL FOR THE DELEGATION TO SEEK AGREEMENT ON ANNULMENT OF 1972 MEMORANDUM OF CONSULTATION AND STRICT RECIPROCITY WITH US AIRLINES IN CAPACITY AND FREQUENCY WITHOUT, HOWEVER, CAUSING CONFRONTATIONS WITH USG. MORE RECENTLY, HOWEVER, REPS OF US AIRLINES, IN DISCUSSIONS WITH OFFICIALS OF AEROLINEAS ARGENTINAS AND ARGENTINE AIR FORCE, HAVE RECEIVED OUTLINE OF OBJECTIVES GOA DELEGATION. ALLEGEDLY, THESE OBJECTIVES RECEIVED CONCURRENCE DNTAC AND FOREIGN OFFICE DURING MEETING HELD FEB 7. OBJECTIVES, SOME OF WHICH ARE NOT WHOLLY CONSISTENT WITH OTHERS, ARE LISTED BELOW AS REPORTED TO US.

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A) WHILE AGREEING THAT 1972 MEMORANDUM CONSTITUTED LEGALLY BINDING

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ARRANGEMENTS BETWEEN TWO COUNTRIES, SEEK MODIFICATIONS BASED ON ALLEGATION TRAFFIC BETWEEN OUR TWO COUNTRIES DID NOT GROW AS FORESEEN.

B. SEEK US AGREEMENT TO LIMIT US AIRLINES, FOR THE IMMEDIATE FUTURE, TO NINE COMBINATION FLIGHTS PER WEEK PLUS ONE CARGO FLIGHT. (THIS WOULD GIVE US AIRLINES THE INCREASE IN CAPACITY WHICH THEY SHOULD HAVE RECEIVED AS OF JULY 1, 1973, LESS ONE CARGO FLIGHT FOR PAN AM.)

C. SEEK US AGREEMENT TO HOLD A TENTH FREQUENCY FOR PAN AM AND PERMISSION FOR A SECOND CARGO FLIGHT IN ABEYANCE PENDING FURTHER CONSULTATIONS AND AGREEMENT, WHICH ARGENTINES ONLY LIKELY TO GIVE WHEN AEROLINEAS READY TO INITIATE SERVICE VIA WIDE-BODIED AIR-CRAFT.

D. US AGREEMENT TO MEET AGAIN FOR NEGOTIATIONS WHICH MIGHT SEEK TO ESTABLISH BROADER GROUND RULES FOR BILATERAL CIVIL AIR RELATIONSHIPS.
ARGENTINES REPORTEDLY THINKING OF NEW MEETING IN MAY 1974 OR SHORTLY THEREAFTER AND THEY MAY HAVE IN MIND COMBINED ACTION IN ARGENTINA BY FOREIGN OFFICE, AIR FORCE, AND AEROLINEAS TO SEEK SOME MODIFICATION OF ARTICLE ELEVEN IN THEIR BASIC CIVIL AVIATION LAW WHICH WOULD ALLOW INTERPRETATION IN ARGENTINA THAT CONCESSIONS OFFERED IN RETURN FOR GREATER ACCESS TO LARGE US MARKET POTENTIAL COULD BE CONSIDERED AS NOT VIOLATING "RECIPROCITY."

3. NOT ENTIRELY CONSISTENT WITH ABOVE IS THE EXPRESSED IDEA THAT AEROLINEAS SHOULD HAVE SAME NUMBER OF FREQUENCIES TO US AS ARE OPERATED BY BOTH US CARRIERS AND SEVERAL REFERENCES TO ARGENTINE INTENTION SEEK "BEYOND" RIGHTS TO CANADA, EUROPE AND ASIA.

4. US AIRLINE REPS HAVE REMARKED ON APPARENT CHANGE IN OUTLOOK REVEALED BY NEW AEROLINEAS AND AIR FORCE OFFICIALS DEALING WITH CIVIL AIR PROBLEMS. THEY REPORT THESE ARGENTINES NOW BELIEVE ARRANGEMENTS MADE IN 1972 MEMORANDUM OF UNDERSTANDING CARRIED SIGNIFICANT BENEFITS FOR AEROLINEAS; THAT CO-TERMINALIZATION OF MIAMI AND NEW YORK ON AEROLINEAS' WEST COAST/SA ROUTE NOW SEEN AS VALUABLE AND AEROLINEAS WOULD LIKE EVENTUALLY TO
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HAVE MIAMI AND NEW YORK AS CO-TERMINALS ON ITS OTHER ROUTES WHICH NOW TERMINATE IN NEW YORK OR MIAMI. THEY ALSO REPORT AEROLINEAS APPEARS TO HAVE NEW APPRECIATION OF COMMERCIAL IMPORTANCE IN ITS OPERATIONS OF FIFTH FREEDOM TRAFFIC AND WILL GIVE NEW URGENCY TO ESTABLISHING CONDITIONS FOR MAXIMIZING THAT TRAFFIC. ANOTHER OBSERVATION MADE BY AEROLINEAS' NEW MANAGERS IS THAT WHEN THIRD AND FOURTH FREEDOM TRAFFIC RESTRICTIONS EXIST TO ANY SIGNIFICANT DEGREE FOR US OR ARGENTINE AIRLINES, THE

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BENEFICIARIES ARE NORMALLY THE THIRD-COUNTRY CARRIERS.

5. WHEN POINTS CONTAINED PARAS 2 AND 3 ABOVE WERE REPORTED TO US BY US REPS, ALONG WIT ALLEGATIONS OF AEROLINEAS AND AIR FORCE OFFICIALS THAT THEIR POSITIONS WERE NOW ACCEPTED BY FOREIGN OFFICE AND DNTAC, INCLUDING COMMODORE WITTE, THEY WOULD HAVE BEEN HARD TO CREDIT IF EMBOFF HAD NOT HEARD THAT SAME DAY, FEB 8, FROM NORMALLY RESPONSIBLE AND AUTHORITATIVE FOREIGN OFFICE SOURCE, INFORMATION CONFIRMING THAT GOA WILL SEEK SHORT TERM ARRANGEMENT SATISFYING US AIRLINES TO CONSIDERABLE DEGREE WHICH WOULD LOOK FORWARD TO FURTHER NEGOTIATIONS IN MAY 1974. THIS SOURCE INDICATED THAT DELEGATION WOULD BE CAREFULLY INSTRUCTED TO AVOID CONFRON-TATION AND BREAKDOWN OF NEGOTIATIONS ON CIVIL AIR BECAUSE GOA IS MORE INTERESTED IN BUILDING STRONGER OVERALL BILATERAL RELATIONSHIP WITH US.

6. THOUGH DOUBTFUL THAT ARGENTINE DELEGATION WILL PROVE EASY TO DEAL WITH, OR THAT WE HAVE SEEN THE LAST OF THE DIFFICULT AND RIGID BACKBONE OF RESTRICTIVE ARGENTINE CIVIL AIR POLICY, EMBASSY ENCOURAGED BY MOUNTING SIGNS THAT GOA SEEKS AVOID CONFRONTATION AND THAT AEROLINEAS AND OTHERS MAY TAKE NEW APPROACH TO ITS PROBLEMS.

7. PRESIDENT AEROLINEAS ARGENTINAS, PELIGRINI, HAS INVITED US REPS PLUS AIR FORCE AND DNTAC OFFICIALS TO LUNCH FEB 12. WE EXPECT BRANIFF AND PAN AM REPS WILL REPORT TO US FULLY ON THAT DISCUSSION AND WE HOPE IT WILL GIVE FURTHER INSIGHTS INTO ARGENTINE VIEWS ON EVE OF CIVAIR NEGOTIATIONS.
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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1974
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Decaption Note:
Disposition Action: RELEASED
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
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ISecure: 1
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